

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to Assess and Revise
the New Regulatory Framework for Pacific Bell
and Verizon California Incorporated.

Rulemaking 01-09-001
(Filed September 6, 2001)

Order Instituting Investigation on the
Commission's Own Motion to Assess and Revise
the New Regulatory Framework for Pacific Bell
and Verizon California Incorporated.

Investigation 01-09-002
(Filed September 6, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING SETTING
A DATE CERTAIN FOR THE ISSUANCE OF A SUPPLEMENTAL
AUDIT REPORT BY THE OVERLAND CONSULTING GROUP**

This ruling authorizes the Overland Consulting Group (Overland) to submit a supplemental audit report regarding Phase 2B issues no later than June 20, 2002.¹

Background

Pursuant to the assigned Commissioner's ruling (ACR) issued on April 24, 2002, the purpose of Phase 2A of this proceeding is to consider some of the issues raised in Overland's audit report. The particular issues to be addressed in

¹ Overland was hired by the Commission's Telecommunications Division to conduct an audit of Pacific Bell (Pacific) pursuant to Pub. Util. Code § 314.5 and Decision (D.) 94-06-011, D.96-05-036, D.98-10-019, and D.98-10-026.

Phase 2A are identified in the ACR. The purpose of Phase 2B is to consider all other issues raised in the Overland audit report.

On May 8, 2002, Overland submitted opening testimony in Phase 2A that included, among other things, a supplemental audit report. In general, the supplemental report provided information regarding Phase 2A issues that Overland did not receive from Pacific in time to include in its original audit report issued on February 21, 2002.

On May 20, 2002, Pacific submitted a pleading that contained (1) a response to Overland's supplemental audit report, and (2) a motion to preclude any additional supplemental reports, or, alternatively, setting a date certain for the issuance of one additional report. On May 28, 2002, Pacific submitted another pleading that largely mirrored the one it submitted on May 20.

In its two pleadings, Pacific states that Overland indicated in its Phase 2A opening testimony that it intends to file a second supplemental audit report related to Phase 2B issues. Pacific objects to the issuance of a second report on the grounds that Pacific will not have to an opportunity to adequately respond to the additional report. Accordingly, Pacific requests that Overland be precluded from filing another supplemental audit report, or, alternatively, that Overland be required to submit the additional report no later than June 3, 2002.

There was no response to either of Pacific's pleadings.

Discussion

In order to ensure that the Commission has an adequate record to decide Phase 2B issues, Overland should be allowed to submit a supplemental audit report regarding Phase 2B issues. Accordingly, Pacific's motion to preclude Overland from submitting such a report is denied.

It is reasonable to require Overland to submit a supplemental audit report regarding Phase 2B issues in time for Pacific to respond to the report in its Phase 2B opening testimony due on June 28, 2002. It is also reasonable to provide Overland with adequate time to prepare its report. Therefore, in balancing these divergent interests, it is ruled that Overland may submit a supplemental audit report regarding Phase 2B issues no later than June 20, 2002.

Therefore, **IT IS RULED** that:

1. Pacific Bell's motion to preclude the filing of additional supplemental audit reports, or, alternatively, setting a date certain for the issuance of one additional report is granted and denied to the extent set forth in the body of this ruling.
2. Overland Consulting Group may submit a supplemental audit report regarding Phase 2B issues no later than June 20, 2002.

Dated June 17, 2002, at San Francisco, California.

/s/ TIMOTHY KENNEY

Timothy Kenney
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Setting a Date Certain for the Issuance of an Additional Supplemental Audit Report by the Overland Consulting Group on all parties of record in this proceeding or their attorneys of record.

Dated June 17, 2002, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.